

**STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769**

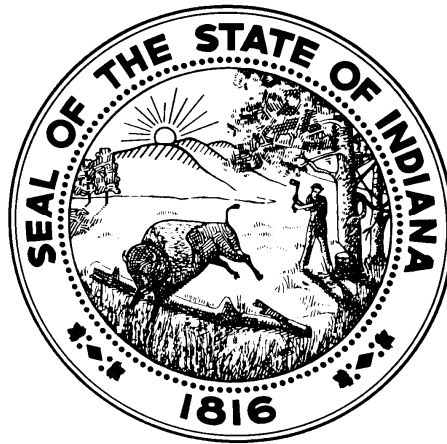
EXAMINATION REPORT

OF

TOWN OF CENTER POINT

CLAY COUNTY, INDIANA

January 1, 2006 to December 31, 2007



FILED
07/03/2008

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Roger A. Campbell	01-01-04 to 12-31-11
President of the Town Council	Roy A. Smith	01-01-06 to 12-31-08



STATE OF INDIANA

AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF CENTER POINT, CLAY COUNTY, INDIANA

We have examined the financial information presented herein of the Town of Center Point (Town), for the period of January 1, 2006 to December 31, 2007. The Town's management is responsible for the financial information presented herein. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the financial information presented herein and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the financial information referred to above presents fairly, in all material respects, the financial information of the Town for the years ended December 31, 2006 and 2007, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Capital Assets and Schedule of Long-Term Debt, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the basic financial information. They have not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

May 29, 2008

TOWN OF CENTER POINT
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL AND PROPRIETARY FUND TYPES
As Of And For The Years Ended December 31, 2006 And 2007

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
General	\$ 58,032	\$ 19,110	\$ 18,814	\$ 58,328
Motor Vehicle Highway	22,867	8,874	5,903	25,838
Local Road and Street	6,683	2,172	2,821	6,034
Planning Commission	602	-	-	602
Rainy Day	3,099	3,841	-	6,940
Cumulative Capital Improvement	8,352	1,043	3,150	6,245
Proprietary Funds:				
Water Utility - Operating	41,865	69,234	79,797	31,302
Water Utility - Depreciation	11,325	3,000	-	14,325
Water Utility - Customer Deposit	7,753	600	50	8,303
Wastewater Utility - Operating	89,416	43,216	56,545	76,087
Wastewater Utility - Bond and Interest	23,482	15,000	13,840	24,642
Wastewater Utility - Depreciation	14,900	3,000	-	17,900
Totals	<u>\$ 288,376</u>	<u>\$ 169,090</u>	<u>\$ 180,920</u>	<u>\$ 276,546</u>

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
General	\$ 58,328	\$ 22,360	\$ 21,222	\$ 59,466
Motor Vehicle Highway	25,838	10,601	2,748	33,691
Local Road and Street	6,034	2,400	5,356	3,078
Planning Commission	602	-	-	602
Rainy Day	6,940	-	-	6,940
Cumulative Capital Improvement	6,245	1,026	-	7,271
Proprietary Funds:				
Water Utility - Operating	31,302	70,519	65,824	35,997
Water Utility - Depreciation	14,325	3,000	4,000	13,325
Water Utility - Customer Deposit	8,303	850	525	8,628
Wastewater Utility - Operating	76,087	42,069	42,316	75,840
Wastewater Utility - Bond and Interest	24,642	15,000	23,794	15,848
Wastewater Utility - Depreciation	17,900	3,000	2,591	18,309
Totals	<u>\$ 276,546</u>	<u>\$ 170,825</u>	<u>\$ 168,376</u>	<u>\$ 278,995</u>

The accompanying notes are an integral part of the financial information.

TOWN OF CENTER POINT
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The Town was established under the laws of the State of Indiana. The Town provides the following services: public safety, health and social services, culture and recreation, and general administrative services.

Note 2. Fund Accounting

The Town uses funds to report on its cash and investments and the results of its operations on a cash basis. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

Note 3. Budgets

The operating budget is initially prepared and approved at the local level. In addition, funds for which property taxes are levied or highway use taxes are received are subject to final approval by the Indiana Department of Local Government Finance.

Note 4. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the Town in June and December. State statute (Indiana Code 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the Town on or prior to December 31 of the year collected.

Note 5. Deposits and Investments

Deposits, made in accordance with Indiana Code 5-13, with financial institutions in the State of Indiana at year end were entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statute (Indiana Code 5-13-9) authorizes the Town to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

TOWN OF CENTER POINT
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS

For The Year Ended December 31, 2007

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Buildings	<u>\$ 65,000</u>

<u>Primary Government</u>	<u>Ending Balance</u>
Business-type activities:	
Water Utility:	
Capital assets, not being depreciated:	
Buildings	\$ 75,000
Improvements other than buildings	<u>275,000</u>
Total Water Utility capital assets	<u>350,000</u>
Wastewater Utility:	
Capital assets, not being depreciated:	
Improvements other than buildings	<u>200,000</u>
Total business-type activities capital assets	<u>\$ 550,000</u>

TOWN OF CENTER POINT
SUPPLEMENTARY INFORMATION
SCHEDULE OF LONG-TERM DEBT
December 31, 2007

The Town has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Business-type Activities:		
Wastewater Utility		
Revenue bonds:		
2002 Wastewater Bonds	\$ 169,482	\$ 7,000

TOWN OF CENTER POINT
EXAMINATION RESULTS AND COMMENTS

DISBURSEMENT DOCUMENTATION (Town)

Credit card payments were observed which were not supported by adequate documentation such as receipts.

Due to the lack of supporting information, the validity and accountability for some monies disbursed could not be established.

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 51)

CUSTOMER DEPOSIT REGISTER (Water Utility)

The detailed customer deposit register does not reconcile with the customer deposit amount recorded on the general ledger. The total of the detailed customer deposit register is less than the general ledger control.

At all times, the manual and computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

BANK ACCOUNT RECONCILIATIONS (Town and Utilities)

Depository reconciliations of the fund balances to the bank account balances were incorrect.

Indiana Code 5-13-6-1(e) states in part: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

TOWN OF CENTER POINT
EXIT CONFERENCE

The contents of this report were discussed on May 29, 2008, with Roger A. Campbell, Clerk-Treasurer; and Roy A. Smith, President of the Town Council. The officials concurred with our findings.